

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Use of the Capital Outlay Fund (COF)

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Purpose

To establish funding methods, administration and control, and allowable uses of the Capital Outlay Fund (COF).

Background

The COF was established by the Board of Supervisors in Fiscal Year 1979-80 to provide centralized budgeting for the accumulation and expenditure of funds for the capital needs of the County.

Policy

It is the policy of the Board of Supervisors that:

1. There is a single budget unit (the Capital Outlay Fund) to fund major County capital projects.
2. A reserve may be established to accumulate funding for future capital projects.
3. The COF shall be used for:
 - the acquisition and construction of new public improvements including buildings and initial furnishings and equipment.
 - land and permanent on and off-site improvements necessary for the completion of a capital project.
 - the replacement or reconstruction of permanent public improvements which will extend the useful life of a structure, including changes in the use of a facility.
 - annual payments on bonded indebtedness resulting from the construction of public facilities.
 - payments or costs associated with the lease/purchase of a facility where the title will transfer to the County, or to a Joint Powers Agency in which the County is a member, at the termination of a lease.
4. The following restrictions shall apply:
 - expenditures which will not extend the useful life of a structure or will only bring the facility to a sound condition are considered maintenance expenses and shall not be funded from the COF.

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- feasibility studies, facility master plans or other analytical or research activities which do not relate directly to the implementation of a project shall not be financed from the COF.

- furnishings or equipment which are not considered a permanent component of the facility shall not be funded through the COF.

5. A project scope and budget must be defined and submitted to the Board of Supervisors for approval before project funds can be expended.

6. The Board of Supervisors may appropriate any legal sources of funding to the COF as required for projects or to the COF reserve for future capital outlay.

7. All proceeds from the sale of fixed assets (land and structures) shall be allocated to the COF unless otherwise specifically directed by the Board of Supervisors.

8. The Chief Administrative Officer shall establish, through administrative policies and procedures, appropriate controls on the scope of projects and expenditure of funds.

9. Procedures for timely closure of projects and the return of unexpended project funds to the original funding source shall be established by the Chief Administrative Officer.

10. The Chief Administrative Officer shall annually prepare a Capital Improvements Plan to guide the development of both immediate County capital needs and long term major capital projects for funding through the COF.

Sunset Date

This policy will be reviewed for consideration by 12-31-02.

Board Action

1-2-79 (21)

6-2-81 (14)

7-26-88 (43)

12-12-89 (49)

6-5-90 (43)

10-23-90 (45)

2-12-91 (22)

5/15/96 (11)

8/12/97 (15)

CAO Reference

1. Chief Financial Officer/Auditor and Controller